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DAVE COLLOGAN/EDITOR
MONICA MOORE/EDITORIAL ASSISTANT
1156 15th STREET, N.W./WASHINGTON, D.C. 20005
PHONE: (202) 822-4600/TELEX: 89 2447

ITC TO VOTE SEPT. 27 ON BRAZILIAN AIRCRAFT IMPORT CASE

Members of the U.S. International Trade Commission are scheduled to vote Sept. 27 on a staff report regarding charges by Fairchild Swearingen Corp. that it has been harmed and faces the prospect of additional damage as a result of aircraft imports from Brazil that are supported by below-market financing. Attorneys for Fairchild and Brazilian manufacturer Embraer--along with representatives of Beech Aircraft who joined the case on the side of Fairchild—spent nearly six hours last Wednesday arguing their respective positions before an ITC staff conference. Fairchild has asked the ITC to impose countervailing duties on Bandeirante aircraft that Embraer ships to the U.S. *(BA, Sept. 6/73).*

Attorneys for Fairchild said last week the company's San Antonio facility is "down to 20 percent of capacity utilization" and that "up to 75 percent of our people have been laid off" and charged that the situation is largely due to the underpricing and predatory financing offered on the Bandeirante by Embraer. Anthony Spuria, chairman of Fairchild Swearingen, testified that sales of the Metro III aircraft have "practically dried up this year" and charged that the problems the company faces "for the most part are a direct result of imports from Brazil."

Fairchild said Bandeirante buyers typically can finance that aircraft at rates of nine percent or less while purchasers of the Metro must pay an interest rate that is usually several points above the prime interest rate. Earl Morton, director of Metro marketing, testified that the financing difference poses "an almost insurmountable problem" and that the company has lost Metro sales to the Bandeirante because of the more favorable Embraer interest rate.

Jack Schaefer, a former FAA administrator and a member of the board of directors of Beech Aircraft, said Beech has "suffered a significant rate of deterioration in new orders for the 15-passenger C99 aircraft" in the last 18 months and said competition from the Bandeirante has "siphoned off" orders for the C99. He said Beech has been forced to cut C99 production from five aircraft per month to two units per month and another Beech official said if orders do not pick up additional production cuts will be necessary.

Embraer Cites Metro's Price, Garrett Engines

Attorneys for Embraer contended that Fairchild's difficulties are a result of the way it has priced the Metro and reliability problems with the Garrett TPE331 turboprops that power the aircraft.

Appearing on behalf of Embraer, Mort Beyer, president of Avmark, Inc., a consulting service, said Swearingen is having difficulty justifying its price for the Metro—which he said is about $2.5 million—and said the price is considerably higher than the Bandeirante because Swearingen has gone through a number of model changes that have increased the company's costs. In addition, he noted that the price of the pressurized Metro is considerably higher than the unpressurized Bandeirante because pressurization is a significant cost factor in manufacturing an airplane. He said one reason sales of new Metros have dropped off is the fact that the company is competing against itself, stating that there are 51 used Metros on the market.

Beyer also said that operating experience with the Garrett engines on the Metro have caused problems for Swearingen. He said some Metro operators have told him they would never buy a Metro again because of mechanical reliability problems and said it was his perception that this was not a problem for Bandeirante

(Continued on the following page)

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BUSINESS/PERSONAL AIRCRAFT INDUSTRY — AUGUST UNIT SHIPMENTS

		August 82	Cal. Year	Fisc.† Year
BEECH AIRCRAFT CORP.				
• Single-Engine				
BE-C23	Sundowner	4	15	26
BE-A24R	Sierra	0	11	13
BE-F33A	Bonanza	2	14	29
BE-V35B	Bonanza	0	11	16
BE-A36	Bonanza	4	51	112
BE-A36TC	Bonanza	1	45	48
BE-77	Skipper	1	6	13
• Multi-Engine				
BE-B55	Baron	0	11	21
BE-E55	Baron	0	2	2
BE-58	Baron	2	23	52
BE-58P	Baron	0	15	30
BE-58TC	Baron	1	5	5
BE-B60	Duke	0	4	10
BE-76	Duchess	0	14	17
BE-C90	King Air	2	25	44
BE-F90	King Air	1	22	34
BE-C99	Commuter	0	16	30
BE-B100	King Air	0	6	11
BE-200	Super King Air	0	78	132
BE-200	Super King Air C	0	8	12
BE-200T	King Air	6	8	10
Total		22	389	667
Manufacturers net billing - $13,455,212				
BRITISH AEROSPACE				
• Multi-Engine				
HS-125-700 Model A		3	15	23
HS-125-700 Model B		0	5	7
Total		3	20	30
BRITTEN-NORMAN (Bembridge) LTD.				
• Multi-Engine				
BN-2	Islander	0	7	13
BN-2T	Turbo Islander	0	1	3
Mark III	Trislander	0	4	4
Total		0	12	20
CESSNA AIRCRAFT CO.				
• Single-Engine				
CE-152		19	190	282
CE-A152	Aerobat	2	14	24
CE-172RG	Cutlass	19	77	122
CE-R172	Hawk XP	0	3	6
CE-172	Skyhawk	28	258	433
CE-180	Skywagon	0	1	9
CE-182	Skylane	14	127	200
CE-182	Turbo Skylane	0	12	23
CE-182RG	Skylane RG	6	55	70
CE-182RG	Turbo Skylane RG	0	18	34
CE-185	Skywagon	0	55	84
CE-188	AGhusky	4	29	49
CE-188	AGtruck	0	25	32
CE-U206	Stationair 6	5	91	141
CE-TU206	Turbo Stationair 6	0	57	99
CE-208	Stationair 8	1	18	23
CE-TU208	Turbo Stationair 8	1	10	11
CE-210	Centurion	7	51	70
CE-T210	Turbo Centurion	9	83	153
CE-P210	Pressurized Centurion	1	33	55
• Multi-Engine				
CE-303	Crusader	8	107	138
CE-310		0	1	2
CE-T310		0	0	2
CE-335		0	2	3
CE-340		1	20	27
CE-402		2	24	41
CE-404	Titan	1	19	23
CE-414	Chancellor	1	24	41
CE-421	Golden Eagle	1	13	31
CE-425	Corsair	3	25	54
CE-441	Conquest	0	29	52
CE-500	Citation I	1	18	36
CE-550	Citation II	8	66	98
CESSNA/REIMS AVIATION				
• Single-Engine				
CE-F152		6	37	46
CE-FA152	Aerobat	0	3	3
CE-F172	Skyhawk	7	43	47
CE-FR172	Hawk XP	0	5	5
CE-F182	Reims Skylane	0	0	0
CE-F182RG	Reims Skylane RG	0	0	0
Total		155	1,643	2,569
Manufacturers net billing - $34,630,862				
AVIONS MARCEL DASSAULT				
• Multi-Engine				
AD-My.10 Falcon		0	8	12
AD-My.20 Falcon		0	5	10
AD-My.50 Falcon		1	27	35
Total		1	40	57
EMBRAER				
• Single-Engine				
EMB-200		2	17	20
EMB-201 Ipanema		0	1	1
EMB-710 Carioca (PA-28-235 Dakota)		2	9	13
EMB-711 Corisco (PA-28RT-201 Arrow)		0	24	25
EMB-712 Tupi (PA-28-181 Archer II)		1	9	12
EMB-720 Minuano (PA-32-310 Saratoga)		0	9	11
EMB-721 Sertanejo (PA-32R-301 Saratoga)		1	12	14
• Multi-Engine				
EMB-110		3	26	48
EMB-121 Xingu		1	6	8
EMB-810 Seneca II		6	23	30
EMB-820 Chieftain		0	1	3
Total		16	137	185
ENSTROM				
• Helicopter				
F28F		*	*	2
F28C-II		*	*	0
280C		*	*	0
280F		*	*	1
Total		*	*	3
FAIRCHILD-SWEARINGEN				
• Multi-Engine				
Metro III		0	16	37
Merlin III-C		0	4	13
Merlin IV-C		0	9	15
Total		0	29	65
GATES-LEARJET				
• Multi-Engine				
LR-25D		0	4	11
LR-35A		2	27	55
LR-55		3	33	42
Total		5	64	108
GULFSTREAM-AMERICAN				
• Single-Engine				
GR-164 Agcat		0	5	9
• Multi-Engine				
G-47	Cougar	0	0	1
GR-1159A	Gulfstream III	2	18	27
AE-900	Commander 900	0	8	0
AE-840	Turbo Commander	0	7	17
AE-980		0	0	2
AE-1000		2	19	37
Total		4	57	93
Manufacturers net billing - $22,304,000				
(Exports: 1 1000 to Colombia)				
ISRAEL AIRCRAFT INDUSTRIES				
• Multi-Engine				
1124 Westwind		*	18	27
Total		*	18	27
LAKE AIRCRAFT				
• Single-Engine				
LA-4-200 Buccaneer		3	13	22
Total		3	13	22
(Exports: 1 to Canada)				
MAULE AIRCRAFT				
• Single-Engine				
M-5-180C		0	0	2
M-5-235C Lunar Rocket		1	4	4
M-6-235		1	26	31
Total		2	30	37
Manufacturers net billing - $112,239				
MITSUBISHI				
• Multi-Engine				
Solitaire		0	4	8
Marquise		0	6	14
Diamond		1	1	1
Total		1	11	23
MOONEY AIRCRAFT CORP.				
• Single-Engine				
M-20J 201		9	72	107
M-20K 231		3	55	92
Total		12	127	199
(Exports: 1 201 to Panama, South Africa, Australia, Spain 1 231 to Venezuela, Germany)				

		August 82	Cal. Year	Fisc.† Year
PIPER AIRCRAFT CORP.				
• Single-Engine				
PA-18-150	Super Cub	7	17	20
PA-28-161	Warrior	3	81	139
PA-28-181	Archer II	4	72	109
PA-28RT-201	Arrow IV	2	13	25
PA-28RT-201T	Arrow IV	7	54	80
PA-28-236	Dakota	0	22	40
PA-32-301	Saratoga	1	24	40
PA-32-301T	Turbo Saratoga	2	20	26
PA-32R-301	Saratoga SP	2	26	53
PA-32R-301T	Turbo Saratoga SP	3	31	60
PA-36-375	Pawnee Brave	2	2	12
PA-38-112	Tomahawk	5	63	114
• Multi-Engine				
PA-23-250	Aztec	0	0	13
PA-31-310	Navajo	0	8	14
PA-31-325	Navajo C/R	1	15	22
PA-31-350	Chieftain	3	43	86
PA-31T-501T	Cheyenne I	1	7	8
PA-31T-620	Cheyenne II	0	6	9
PA-31T2-620	Cheyenne II XL	0	17	27
PA-42-720	Cheyenne III	2	12	20
PA-34-200T	Seneca II	0	0	1
PA-34-220T	Seneca III	13	120	195
PA-44-180	Seminole	0	3	3
PA-44-180T	Seminole	1	9	14
PA-600A	Aerostar	0	1	3
PA-601B	Aerostar	0	1	1
PA-601P	Aerostar	1	1	1
PA-602P	Aerostar	3	29	29
PA-T1020		1	5	7
PA-T1040		0	4	4
Total		64	706	1,175
Manufacturers net billing - $10,003,800				
ROCKWELL INTERNATIONAL				
• Multi-Engine				
NA-65 Sabreliner		0	2	6
Total		0	2	6
SHORT BROTHERS LTD.				
• Multi-Engine				
SBJ-CS-7 Skyvan		0	1	1
SD-3-30		2	11	14
Total		2	12	15

† Based on Oct. 1-Sept. 30 fiscal year
* Data not available from manufacturer

UNIT SHIPMENTS COMPARATIVE TREND: 20 MANUFACTURERS

	August			Cal. Year to Date			Fisc. Year to Date†		
	1982	1981	1980	1982	1981	1980	1982	1981	1980
Beech	22	82	112	389	862	925	667	1,193	1,274
Bellanca	-	-	5	-	-	94	-	-	182
British Aerospace	3	3	2	20	21	24	30	32	33
Britten-Norman	0	2	5	12	18	23	20	32	40
Cessna	155	514	557	1,643	3,225	4,301	2,569	4,802	6,412
Dassault	1	10	6	40	57	38	57	79	49
Embraer	16(6)	10(7)	31(8)	137(44)	144(53)	236(67)	185(61)	264(87)	419(113)
Enstrom	*	2	3	*	38	31	*	50	31
Fairchild-Swearingen	0	8	7	29	42	54	65	65	76
Gates	5	11	4	64	81	72	108	119	105
Gulfstream	4	11	10	57	237	92	93	327	143
Israel	*	3	2	18	28	22	27	38	26
Lake	3	4	6	13	40	57	22	56	85
Lockheed	-	-	0	-	-	4	-	-	5
Maule	2	7	5	30	42	46	37	52	59
Mitsubishi	1	2	5	11	25	35	23	36	54
Mooney	12	29	27	127	230	129	199	304	332
Piper	64	175	230	706	1,798	2,053	1,175	2,422	2,955
Rockwell	0	4	12	2	33	96	6	42	138
Short	2	3	7	12	11	25	15	16	26
TOTAL	280	877	1,013	3,217	6,841	8,188	5,174	9,752	12,138

Parentheses show actual Embraer deliveries, not including aircraft kits.
† Fiscal Year Oct. 1 - Sept. 30
$ Enstrom figures reflect only deliveries before 1982
* Data not available from manufacturer.